

Service Date: November 5 , 1991

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER Of the Application)	UTILITY DIVISION
Of U S West Communications for)	
Forbearance of Rate Regulation)	DOCKET NO. 91.10.39
Re: Montana Power Company - General)	
Offices, Butte, Montana.)	ORDER NO. 5576
_____)	

FINAL ORDER

FINDINGS OF FACT

1. On October 1, 1991, U S West Communications (USWC) filed an application with the Montana Public Service Commission (Commission or PSC) requesting forbearance of rate regulation for intraLATA long distance service (Message Toll Service - MTS, including Dial Station-to-Station, Customer Dialed Calling Card Station-to-Station, Operator-Handled Station-to-Station, Operator-Handled Person-to-Person and received calls on a collect basis) for Montana Power Company - General Offices, 40 East Broadway, Butte, Montana. USWC makes its application pursuant to Section 69-3-808, MCA.

2. Attached to and referenced in USWC's application was a letter from Montana Power Company addressed to USWC, dated September 19, 1991, requesting a proposal for long distance service. USWC's application stated that Montana Power Company is considering bids for long distance services from US Sprint, MCI, AT&T, Touch America and American Sharecom.

3. On October 10, 1991, at a regularly scheduled agenda meeting, the Commission GRANTED USWC's forbearance application based solely on the contents of USWC's application.

4. Although the forbearance statute (Section 69-3-808, MCA) may not permit analysis of the economic merits of USWC's discounted sales prices in considering the forbearance application itself, the Commission intends to analyze the merits of such discounts in later dockets. There is absolutely no evidence in the instant or past forbearance applications that prices resulting from a negotiated contract or contracts for the services herein or in past applications will cover the relevant economic costs. Further, no economic cost studies have been accepted by this Commission for USWC's toll services (see Order Nos. 5354d and 5354e, Docket No. 88.1.2). Therefore, USWC is hereby put on notice that to the extent any such sales prices resulting from a negotiated contract for the services listed herein fall below the Commission's estimate of relevant marginal costs, the resulting shortfall shall be borne by USWC shareholders.

CONCLUSIONS OF LAW

1. USWC provides regulated telecommunications service within the state of Montana and is a public utility under the regulatory jurisdiction of the Montana Public Service Commission, Sections 69-3-101 and 69-3-803(3), MCA.

2. The Commission has authority to supervise, regulate and control public utilities. Section 69-3-102, MCA.

3. USWC's application contained the information required by Section 69-3-808, MCA and ARM 38.5.2715.

ORDER

1. USWC is GRANTED FORBEARANCE of rate regulation with respect to the provision of intraLATA Message Toll Service for Montana Power Company - General Offices.

2. DONE AND DATED at Helena, Montana, this 28th day of October, 1991, by a 5 to 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

HOWARD L. ELLIS, Chairman

DANNY OBERG, Vice Chairman

WALLACE W. "WALLY" MERCER, Commissioner

JOHN B. DRISCOLL, Commissioner

BOB ANDERSON, Commissioner

ATTEST:

Ann Peck
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.